

# Lakewood UEZ Financial Assistance Program (FAP) PROGRAM SPECS

## 1. UEZ Standard Microloan

*Goal: to encourage UEZ business expansion and to enable UEZ businesses to obtain cost effective loans for this purpose*

Parameters:

- Up to \$35,000 per loan
- Closing costs waived
- 3.5% interest rate
- 10-year term
- Collateral: Real estate
- Maximum Combined Loan to Value Ratio (CLTV) – 90%
- Business must be UEZ registered in good standing at time of application and remain in good standing as a UEZ business during the repayment of the loan
- Loan proceeds cannot be used to pay off existing debt
- Prior to disbursement of funds, the UEZ business must be cleared as being in tax compliance with the State of New Jersey Division of Revenue
- No active bankruptcy, civil judgements, or tax liens
- Current on all bills and obligations
- Provide a business plan outlining to include but not limited to, pertinent information about the business, its projected financials, target market, etc.
- Disclosure of intended use of loan proceeds
- Funds available on a first come first served basis.

## 2. UEZ COVID-19 Emergency Loan

*Goal: to help businesses negatively impacted financially by the Coronavirus pandemic*

Parameters:

- Up to \$10,000 per loan
- Closing costs waived
- 1% interest rate
- 10-year term
- Collateral: Real estate
- Maximum Combined Loan to Value Ratio (CLTV) – 90%
- Business must be UEZ registered in good standing at time of application and remain in good standing as a UEZ business during the repayment of the loan
- Loan proceeds cannot be used to pay off existing debt

- Prior to disbursement of funds, the UEZ business must be cleared as being in tax compliance with the State of New Jersey Division of Revenue
- No active bankruptcy, civil judgements, or tax liens
- Current on all bills and obligations
- Provide a business plan outlining to include but not limited to, pertinent information about the business, its projected financials, target market, etc.
- Disclosure of intended use of loan proceeds
- Funds available on a first come first served basis.

### **3. UEZ Business Low-Cost Expansion Loan Level I**

*Goal: to encourage UEZ business expansion and to enable UEZ businesses to obtain cost effective loans for this purpose*

Parameters:

- Up to \$20,000 per loan
- Closing costs waived
- 2.5% interest rate
- 5-year term (advertised as a 5-year term, Loan cast as a 4-year amortization since repayment starts in 13<sup>th</sup> month from origination)
- Start repayment in 12 months
- Collateral: Real estate
- Maximum Combined Loan to Value Ratio (CLTV) – 90%
- Business must be UEZ registered in good standing at time of application and remain in good standing as a UEZ business during the repayment of the loan
- Loan proceeds cannot be used to pay off existing debt
- Prior to disbursement of funds, the UEZ business must be cleared as being in tax compliance with the State of New Jersey Division of Revenue
- No active bankruptcy, civil judgements, or tax liens
- Current on all bills and obligations
- Provide a business plan outlining to include but not limited to, pertinent information about the business, its projected financials, target market, etc.
- Disclosure of intended use of loan proceeds
- Beginning from the loan origination date, within the 5-year loan term, if expansion leads to at least 1 new Lakewood resident FTEs (Full Time Employee) and FTE's stay employed for at least 12 months, 50% of the remaining loan balance will be forgiven not to exceed \$10,000, from the date the threshold is met. Employment verified via employee contract and W-2 form
- Upon written notification submitted by borrower they have met the FTE threshold, Lakewood UEZ will recast remaining loan term at half the remaining balance verified with certified payroll report (via certification form)

- Business must meet the following criteria at application:
  - Under 10 employees
  - Gross sales under \$750,000 per year
  - Have at least one FTE that resides in the Lakewood UEZ zone municipality, owner to provide proof of employee residence
- Funds available on a first come first served basis.
- Borrower may not receive both a Level I and a Level II Expansion Loan concurrently

#### **4. UEZ Business Low-Cost Expansion Loan Level II**

*Goal: to encourage UEZ business expansion and to enable UEZ businesses to obtain cost effective loans for this purpose*

Parameters:

- Up to \$50,000
- Closing costs waived
- 2.5% interest rate
- 5-year term (advertised as a 5-year term, Loan cast as a 4-year amortization since repayment starts in 13<sup>th</sup> month from origination)
- Start repayment in 12 months
- Collateral: Real estate
- Maximum Combined Loan to Value Ratio (CLTV) – 90%
- Business must be UEZ registered in good standing at time of application and remain in good standing as a UEZ business during the repayment of the loan
- Loan proceeds cannot be used to pay off existing debt
- Prior to disbursement of funds, the UEZ business must be cleared as being in tax compliance with the State of New Jersey Division of Revenue
- No active bankruptcy, civil judgements, or tax liens
- Current on all bills and obligations
- Provide a business plan outlining to include but not limited to, pertinent information about the business, its projected financials, target market, etc.
- Disclosure of intended use of loan proceeds
- Beginning from the loan origination date, within the 5-year loan term, if expansion leads to at least 2 new Lakewood resident FTEs (Full Time Employee) and FTE's stay employed for at least 12 months, 50% of the remaining loan balance will be forgiven, not to exceed \$25,000, from the date the threshold is met. Employment verified via employee contract and W-2 form
- If employer succeeds in hiring and retaining only one FTE for a 12-month period, 25% of remaining loan balance will be forgiven, not to exceed \$12,500

- Upon written notification submitted by borrower they have met the FTE threshold, Lakewood UEZ will recast remaining loan term at half the remaining balance verified with certified payroll report (via certification form)
- Business must meet the following criteria at application:
  - Under 10 employees
  - Gross sales under \$1,500,000 per year
  - Have at least one FTE that resides in the Lakewood UEZ zone municipality, owner to provide proof of employee residence
- Funds available on a first come first served basis
- Rejection from Level II Expansion Loan may be considered for Level I Expansion Loan upon request of the borrower
- Borrower may not receive both a Level I and a Level II Expansion Loan concurrently

## 5. Small Business Technology Incentive

*Goal: to promote modernization of UEZ registered businesses by assisting them with needed funds for equipment, software, and training*

Parameters:

- Up to \$5,000 per incentive
- Funds may be used for electronic equipment, software, technical training, or other expense in the spirit of technical expansion, subject to review
- Business must meet the following criteria at application:
  - Under 10 employees
  - Gross sales under \$1,000,000 per year
  - Have at least one FTE that resides in the Lakewood UEZ zone municipality, owner to provide proof of employee residence
  - Sign commitment to make 'best efforts' to hire an additional FTE that resides in the Lakewood UEZ zone with-in 3 years of receipt of incentive
  - If business hires 3 FTE's with-in 3 years of receipt of incentive, business will be eligible for an additional \$3000 Technology Incentive at the end of the 3-year period
- Business must be UEZ registered in good standing at time of application
- Prior to disbursement of funds, the UEZ business must be cleared as being in tax compliance with the State of New Jersey Division of Revenue
- No active bankruptcy, civil judgements, or tax liens
- Current on all bills and obligations
- Funds available on a first come first served basis
- Business must provide purchase order or receipt as verification of qualified expense for incentive
- Purchase must antecede launch date of incentive program

- Proof of additional FTE hires verified via employee contracts and W-2 forms

## **6. Employee Retention Incentive Program**

*Goal: to promote a core mission of the UEZ program to create jobs and retain jobs where possible*

Parameters:

- \$1500 per employee
- Retention incentive eligibility begins from launch date of incentive program. Employer should make application for incentive after new hire remains employed for 6 months from date of hire that anteceded program launch date
- Business must meet the following criteria at application:
  - Under 10 employees
  - Gross sales under \$1,000,000 per year
  - Have at least one FTE that resides in the Lakewood UEZ zone municipality, owner to provide proof of employee residence
- Maximum credits per business: \$4500 (up to \$1500 X 3 employees) per 3-year period; this ensures a minimum of 66 businesses benefit from program per 3 years
- Business must be UEZ registered in good standing at time of application
- Prior to disbursement of funds, the UEZ business must be cleared as being in tax compliance with the State of New Jersey Division of Revenue
- No active bankruptcy, civil judgements, or tax liens
- Current on all bills and obligations
- Funds available on a first come first served basis
- When 6-month threshold is met, employer should provide:
  - Employee Retention Incentive application
  - Proof of additional FTE hires verified via employee contracts and W-2 forms
  - Proof of 6-month employment retention via payroll report or other documentable proof verified with certified payroll report (via certification form)

## **7. Bank Fee Assistance Incentive**

*Goal: assist UEZ registered businesses in their effort to improve their businesses by procuring a business loan from a reputable lender to aid in operations, expansion, and other related business improvements; Lakewood UEZ will assist in paying their loan associated closing costs*

Parameters:

- Up to \$5,000 per business

- Incentive funds may be applied to:
  - Bank origination fee
  - Bank processing fee
  - Appraisal fee
  - Environmental report fee
  - Inspection fee
  - Title search fee
  - Recording fees
  - Other associated business loan closing costs
- Business must meet the following criteria at application:
  - Under 10 employees
  - Gross sales under \$1,000,000 per year
  - Have at least one FTE that resides in the Lakewood UEZ zone municipality, owner to provide proof of employee residence
- Business may apply for incentive one time with-in a 5-year period
- Business must be UEZ registered in good standing at time of application
- Prior to disbursement of funds, the UEZ business must be cleared as being in tax compliance with the State of New Jersey Division of Revenue
- No active bankruptcy, civil judgements, or tax liens
- Current on all bills and obligations
- Funds available on a first come first served basis
- Business must provide bank documents substantiating bank fees charged